GOVERNMENT OF INDIA
TEXTILES
LOK SABHA

UNSTARRED QUESTION NO:2839
ANSWERED ON:19.12.2003
EXPORT OF COTTON
KAMAL NATH;RAMDAS ATHAWALE;SHYAMA SINGH;VINAY KUMAR SORAKE

Will the Minister of TEXTILES be pleased to state:

(a) Whether the spinning units in the country have sought relief from spiralling cotton prices through a curtailment in cotton export quota for six months;

(b) If so, the details thereof;

(c) Whether China is importing Indian cotton in large quantity;

(d) If so, the whether this surge in Chinese imports is due to crop failure; and

(e) The manner in which the current rise in domestic cotton prices has affected the handloom and powerloom sector?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRI GINGEE N. RAMACHANDRAN)

(a) & (b) Yes, Sir. Requests have been received to restrict cotton exports, however, Government is keeping a close watch on domestic as well as international scenario for taking appropriate action as and when considered necessary.

(c) & (d) Import of cotton by China during the current cotton season is estimated at 1.2 million metric tons out of which 60% is likely to be imported from USA. Chinese import of Indian cotton is very negligible. Production, consumption and import of cotton in China during 2001-02, 2002-03 and 2003-04 are as under:

(In million metric tons)

YEAR (August - September)	2001-02	2002-03	2003-04
PRODUCTION	5.32	4.92	5.00
CONSUMPTION	5.70	6.40	6.50
IMPORT	0.10	0.69	1.20

Source: International Cotton Advisory Committee

(e) Prices of cotton yarn (both hank and cone) are ruling higher than the price level of the last year. The increase in cotton and cotton yarn prices over last year`s price level is a global phenomenon and is not confined to India alone, and is therefore unlikely to adversely affect the Indian cotton textile industry in the today`s global market. Cotton prices have now shown declining trend from its peak level reached in the first week of November 2003 and it is expected to be stablised as the arrivals of crop increase. The situation is still evolving and impact, if any, is yet to emerge.